

Suzanne Perry, *Chronicle of Philanthropy*

Betty McCollum, a Democratic congresswoman from Minnesota, plans to introduce legislation on Wednesday to get the federal government to pay more attention to the economic impact of the nonprofit world.

The Nonprofit Sector and Community Solutions Act would create two new bodies to make recommendations about federal policy affecting charities and require federal agencies to step up their collection of data about such organizations.

As reported by The Chronicle last month, Ms. McCollum argues that "Washington needs to start caring as much about strengthening nonprofit organizations as it does regulating them."

She plans to unveil the bill at a Capitol Hill press conference on Wednesday surrounded by nonprofit leaders, including representatives of the National Council of Nonprofits, which is holding its annual membership meeting this week.

The legislation would set up:

A U.S. Council on Nonprofit Organizations and Community Solutions. The 16 members, appointed by the President and members of Congress, would be experts in areas like nonprofit and business management, philanthropy, social entrepreneurship, and research.

They would study ways the federal government could work better with nonprofit organizations, for example by improving the procedures for awarding grants and contracts and helping groups that have effectively tackled social problems expand.

The Council would prepare an annual report with recommendations on such issues to the President and Congress. It would also hold an annual summit to take testimony from nonprofit experts and prepare a report on the findings.

An Interagency Working Group on Nonprofit Organizations and the Federal Government. Led by the assistant to the President for domestic policy, this group would be composed of cabinet secretaries and the heads of federal bodies that deal with nonprofit groups, such as the Corporation for National and Community Service, the Internal Revenue Service, and the National Endowment for the Arts.

It would offer recommendations in areas such as grants and contracts, federal money that is channeled to charities through state and local governments, and ways to help charities strengthen their operations. The group would issue an annual report on the actions taken by federal agencies in response to recommendations of the new nonprofit council.

#### Nonprofit Data

Ms. McCollum's bill would also require the U.S. Commerce Department to collect and summarize all available federal data about nonprofit groups -- and to recommend ways to

assess and track the size and scope of the U.S. nonprofit world.

It would also direct the Office of Management and Budget to make available timely data about federal money provided to nonprofit groups, the U.S. Labor Department to treat nonprofit organizations as a "distinct category of employer" when compiling data, and the U.S. Census Bureau to prepare an annual comprehensive report on nonprofit organizations.

And it would require the new national council and interagency task force to recommend ways to get better and quicker data about the types of clients that charities serve, the financial health of nonprofit organizations, philanthropic contributions, and volunteer hours.

The National Science Foundation would also create a \$5-million grants program to promote research on ways to improve the relationship between the federal government and nonprofit groups.

The legislation applies to groups organized under section 501(c)(3) of the federal tax code.